

# Business Update

## Protect your tax rate for 2008

You must send in all past-due taxes and/or late reports to us by September 30, 2007, to avoid a delinquent rate for 2008 (plus added charges as allowed by law). The tax rate will be set in December; it was 6.23 percent for 2007.

If you cannot make full payment right away, you can set up a payment plan by calling your district tax office. If your payment plan is approved before September 30, 2007, you will receive your earned tax rate for 2008, rather than the delinquent rate.

**Note:** Assigned tax rates will be in effect for the entire year.

## Your right to appeal

If you disagree with any decision we make about your unemployment taxes or unemployment benefits paid to a former employee, you have the right to file an appeal.

Your appeal must be in writing and postmarked or faxed within 30 days of the date mailed to the address in the written decision sent to you. If you miss the deadline to file the appeal, tell us why the appeal is late.

Your letter must include:

- Your business name.
- Your Employment Security reference number.
- Your Unified Business Identifier (UBI) number.
- Your address and phone number.
- The reason you disagree with our decision.
- The Social Security number of any claimant noted in the decision.
- Your signature and title.

After we receive your appeal letter, the Office of Administrative Hearing (OAH) will contact you with the date and time of your hearing and the steps you need to take to prepare for that hearing. Most hearings are conducted by telephone.

OAH will send you a written decision that explains the result within two weeks after the hearing.

If you disagree with OAH's ruling, you can petition to our agency's commissioner.

For more information about filing a petition, read the rule online at [www.wac.go2ui.com](http://www.wac.go2ui.com) (WAC 192-04-170).

Please share this with:

- ☐ Owner
- ☐ Accountant/Bookkeeper
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other \_\_\_\_\_

## September 2007

Visit us online at  
**[bizupdate.go2ui.com](http://bizupdate.go2ui.com)**

### Tax tip: Classify employees correctly

Just having a business license does not make a worker an independent contractor. To be an independent contractor for unemployment-insurance purposes, your worker must:

- Be completely free from all direction and control by you, the employer.
- Perform services that are outside of the usual course of your business or are performed at a location separate from your locations of business.
- Be independently established in his or her own trade, occupation or business.

If your worker does not meet all three of these points, he or she may qualify as an independent contractor using the six-part test located online at [www.rcw50-04-140.go2ui.com](http://www.rcw50-04-140.go2ui.com). For more information, call your district tax office.

## Save time and money with WorkSource

Need to hire or train a new employee? Your local WorkSource office may be able to help. Following are a few of the services you will find at WorkSource:

- **Recruitment and screening** – WorkSource can advertise your openings, collect applications and pre-screen applicants to make sure they meet your basic criteria.
- **More room** – Hold your mass application sessions, one-on-one interviews and group orientations at your local WorkSource office.
- **Tax credits** – You can receive federal tax credits if you hire people who have historically had a hard time finding work. WorkSource staff can connect you with qualified applicants and help you complete the necessary forms.

To find the office nearest you, log onto [www.go2worksource.com](http://www.go2worksource.com) or look in the government pages of your local phone book.

## New unemployment laws

As reported in last quarter's edition of Business Update, a series of new unemployment-related laws were passed by the 2007 legislature. A couple of those laws take effect in September and October.

- **Stiffer penalties for employers that file incorrect or incomplete tax-and-wage reports.** Employers will now receive a warning letter for a first offense and a penalty letter for other errors after the first offense, with a penalty of at least \$75 for the second occurrence, \$150 for the third occurrence and \$250 for subsequent occurrences within a five-year period. Employers can reduce their risk of penalties by filing taxes electronically at [www.efile.go2ui.com](http://www.efile.go2ui.com).
- **New registration requirements.** All businesses must register owners (including spouses), partners, members and corporate officers. Corporate structures also must include the percentage of the business each individual owns and the relationship of the individual to other family members who own 10 percent or more of outstanding stock. We developed a new form for reporting any changes on the quarterly tax report, beginning in December 2007.

## Other updates

- By September 1, 2007, **professional employer organizations (PEO)** were required to register themselves and their client companies. Beginning in 2008, they also must file a separate tax-and-wage report for each client each quarter. To stay up-to-date or to be involved in rule-making on this topic, sign up at [www.wa.gov/esd/taxinfolist](http://www.wa.gov/esd/taxinfolist) to have information delivered directly to your e-mail address. There also is information specific to PEOs at [www.peo.go2ui.com](http://www.peo.go2ui.com).
- **Churches and religious organizations** must notify employees that they may not be eligible for unemployment benefits. Posters were mailed in July 2007. Additional posters are available online at [www.forms.go2ui.com](http://www.forms.go2ui.com).

To learn more about law changes, read the full story from last quarter at [www.bizupdate.go2ui.com](http://www.bizupdate.go2ui.com). Click on "Business Update Archive" in the right-hand column and select the June 2007 edition.



The Employment Security Department is an equal opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

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## Report a Fraud

Do you know an employer who is not paying taxes? Someone who is collecting unemployment, but not looking for work, or is working "under the table"? Or someone who is collecting worker's comp, but not really injured? This is fraud - and it costs everyone.

Call 1.888.811.5974 to report fraud.

## District Tax Offices

|               |              |
|---------------|--------------|
| Bellevue      | 425.649.4388 |
| Bellingham    | 360.676.2070 |
| Lynnwood      | 425.774.2380 |
| Seattle North | 206.706.3801 |
| South Sound*  | 253.593.7380 |
| Spokane       | 509.532.3090 |
| Tri-Cities    | 509.735.0939 |
| Vancouver     | 360.735.5050 |
| Wenatchee     | 509.662.0448 |
| Yakima        | 509.574.0137 |
| Out of State  | 360.902.9620 |

\* South Sound serves businesses in South King, Pierce, Kitsap, Thurston, Mason, Lewis, Grays Harbor and North Pacific counties.

# WorkSource

List job openings

Search resumes

All at no cost

[www.go2worksource.biz](http://www.go2worksource.biz)